UNITED NATIONS

DP

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.
GENERAL

DP/CCF/ZIM/1
2 July 1997

ORIGINAL: ENGLISH

Third regular session 1997
15-19 September 1997, New York
Item 6 of the provisional agenda
UNDP

UNDP: COUNTRY COOPERATION FRAMEWORKS AND RELATED MATTERS

FIRST COUNTRY COOPERATION FRAMEWORK FOR ZIMBABWE (1997-1999)

CONTENTS

	Paragraphs	Page
INTRODUCTION	1 - 2	2
I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE	3 - 16	2
II. RESULTS AND LESSONS OF PAST COOPERATION	17 - 20	5
III. PROPOSED STRATEGY AND THEMATIC AREAS	21 - 34	6
A. Poverty reduction	25 - 27	7
B. Management development	28 - 31	7
C. Environmental management and regeneration	32 - 33	8
D. Cross-cutting themes and linkages with regional programmes	34	9
IV. MANAGEMENT ARRANGEMENTS	35 - 40	9
Annex. Resource mobilization target table for Zimbabwe (1977-1999)		11

97-18449 (E) 050897

/...

INTRODUCTION

1. The first country cooperation framework (CCF) for Zimbabwe covers the period 1997-1999. It provides a brief summary of proposed areas of UNDP cooperation which have promotion of sustainable human development (SHD) as the overall objective. The CCF draws extensively upon the UNDP Advisory Note which reflects the recommendations and conclusions of in-depth consultations between UNDP and the Government, civil society, private sector, United Nations agencies and donors during 1995 and 1996. The preparations of the CCF were also guided by the comprehensive review of the UNDP third country programme in Zimbabwe (1992-1996) which was concluded at the end of 1995. A significant part of the review was devoted to discussions on UNDP future areas of intervention.

2. The Government of Zimbabwe is in a transitory period with regard to the formulation of a new national planning framework and the finalization of the second phase of the economic reform programme. Both the previous national development plan and the first phase of economic reform formally only covered the period 1991-1995. Despite the fact that the successor plan and reform programme remain to be finalized, which has contributed to delays in the preparation of a country strategy note, the present CCF is firmly anchored within well-articulated national policies and plans. These include the Poverty Alleviation Action Plan, the Zimbabwe Programme for Economic Transformation, the draft national long-term planning document "Vision 2020", and various other government programmes and statements.

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

3. While there certainly is ground for optimism regarding the current economic outlook, the majority of Zimbabwe's citizens are feeling the hardships of several years of continued stagflation, reduced employment opportunities and high population growth. Adding to these hardships is the fact that some of the important achievements in terms of social indicators registered over the first decade of independence appear to be slipping, albeit marginally. Infant mortality rates, under-5-years mortality and maternal mortality have all increased slightly during the 1990s. Life expectancy has been slightly reduced and child malnutrition has increased. While an important explanatory factor to the decline in human development indicators, the devastating effects of two serious droughts in 1992 and 1995 as well as the increasing incidence of HIV/AIDS, other plausible explanations include poverty and reduced real per capita expenditures in the health sector.

4. It is important to emphasize that despite minor slippages in social indicators, Zimbabwe still holds a favourable 124th ranking globally in terms of the human development index (HDI), falling within the group of medium human development countries. Within sub-Saharan Africa, Zimbabwe has the ninth highest HDI. It should also be noted that current human development indicators show considerable progress in comparison to the pre-independence period. Between 1980 and 1993, Zimbabwe's HDI has risen from 0.386 to 0.534. Compared to 1987 when the HDI was 0.576, it has, however, fallen. The share of both

education and health expenditures of gross domestic product (GDP) in Zimbabwe is also significantly higher than the average of sub-Saharan Africa, and developing countries. Zimbabwe's public investment in education was, in relative terms, the highest in the world in 1992. Zimbabwe allocated 9.1 per cent of its GDP to education compared to a world average of 5.1 per cent.

5. As Zimbabwe enters the twenty-first century, it is confronting numerous development challenges. These include: erratic economic growth; high population growth; HIV/AIDS; low formal sector employment and increasing unemployment; recurrent drought and chronic water shortage; inequitable land distribution; degradation of the environment; and demands for indigenization that need to be put into the context of overall growth as well as poverty reduction.

6. Achievement of sustained economic growth. Mainly as a result of two very severe droughts, the country has seen two years of negative economic growth, 1992 (-6.2 per cent) and 1995 (-2 per cent). With an average population growth of 3.1 per cent, this has meant the lowering of living standards for a large portion of the population. Growth in 1996 was positive, however, at 8.2 per cent, and the economic outlook for 1997 is equally promising.

7. The 1991-1995 economic reform programme, did not meet its targets of sustained growth, reduced budget deficit and reduced inflation. Economic growth has been erratic, annualized inflation range between 16 to 20 per cent, and the budget deficit has remained steady at around 10 per cent of GDP. While the trends in terms of economic growth and reduced inflation are positive, the high budget deficit remains a key challenge. The Government's continued borrowing on the domestic market to finance the deficit is crowding out productive private investments necessary to generate sustained growth. Several measures to cut government spending and increase government revenues are under way, including public expenditure review, civil service reform, privatization of public enterprises, and decentralization.

8. Equity and poverty reduction. The distribution of income and wealth in Zimbabwe is skewed. The dualistic economy that existed in the pre-independence era is a key explanatory factor to this, even though there is casual evidence that the gap between rich and poor has continued to widen since independence. A recent UNDP study estimates a Gini ratio of 0.72 per cent, which is an indication of a highly unequal income distribution.

9. The preliminary results of the 1995 Poverty Assessment Study Survey, for which UNDP was a coordinating sponsor, were published in April 1996. The Study Survey was one of the first steps in the implementation of the Government's Poverty Alleviation Action Plan, intended to serve as a framework for targeting and the design of poverty alleviation activities. The Study Survey shows an alarmingly high incidence of poverty in Zimbabwe.

10. The Study Survey showed that 62 per cent of the population is poor, and 46 per cent is defined as very poor, i.e., their incomes are below the food poverty line. The Study Survey also showed a significantly higher share of poor in rural than in urban areas (75 per cent compared to 39 per cent). In communal areas, 81 per cent of the population is poor, in resettlement areas and small-

scale farming areas 70 per cent, and in large-scale commercial farms 57 per cent. The Study Survey confirmed that poverty is more common in female- than in male-headed households. Of the female-headed households, 72 per cent were classified as poor against 58 per cent for male-headed households. The Study Survey showed considerable regional variances in poverty.

11. The Study Survey also assessed the causes of poverty as perceived by the people themselves. Unemployment and retrenchment were given as the key causes for poverty by 38 per cent of the population, followed by drought at 29 per cent, and low pay at 12 per cent. Urban areas ranked unemployment and retrenchment as the key causes, followed by low pay and high inflation. Rural areas reported drought as the main cause, and unemployment and retrenchment as other important reasons.

12. Creation of jobs and opportunities for sustainable livelihoods. The rate of unemployment in Zimbabwe is estimated at around 30 per cent by the Government and 44 per cent by the Zimbabwe Congress of Trade Unions. There has been a declining trend in formal sector employment growth since independence. Between 1981 and 1990, average annual employment growth was registered at 2.7 per cent, down to 1.4 per cent between 1991 and 1995. This is worrisome when one considers that the annual growth of the labour force is over 3 per cent. The Study Survey data indicate that 39 per cent of the population is without paid employment. This national average disguises the fact that 55 per cent of women are without paid employment as compared with 32 per cent of men. Data indicate that young people in 1992, aged between 15 and 24 years, accounted for around two thirds of the number of unemployed. This has serious social implications and alternative livelihood opportunities need to be found, especially in the informal sector.

13. HIV/AIDS. HIV/AIDS is both a cause and an effect of poverty, and the epidemic emerges as one of the greatest challenges in Zimbabwe today, and as a significant threat to people's opportunities to improve their lives. The severity of the pandemic threatens to erode human development gains and seriously reduce the human capital base of the country. To the dramatic and tragic impact on human lives must be added the impact on the economy, through the loss of the economically active, higher dependency ratios, loss of skills, diversion from income-generating activities, absences from work, increased health care costs, and reduced savings. HIV seroprevalence is currently estimated at 1 million people (out of a population of 11 million), with about 25 per cent of the sexually active population being infected.

14. Sustainable use of the environment. Encroaching desertification and land degradation are principal environmental concerns in Zimbabwe. The forest cover is estimated to be declining by 1.5 per cent annually. Land degradation and water scarcity is most acute in communal areas where population pressures on the land have had adverse environmental effects. Survival-based environmental exploitation in the context of scarcity and limited choices is in itself a key contributing factor to poverty. Some 20 per cent of communal areas are characterized by a shortage of forestry products, yet there are few alternative resources for fuelwood, shelter construction and hedging. The severe droughts of the 1990s have exacerbated the environmental problems. There is encroachment of resettlement areas into wild life and marginal areas not suitable for

agriculture endangering both sustainable livelihood opportunities and the country's biodiversity.

15. Improving the lives of women. Women are the hardest hit by poverty and their situation is especially difficult in rural areas. Women constitute the majority of communal farmers and yet they have no land rights in accordance with customary law. Women in rural areas have lower education levels than men, which often means that they have more limited capacity to access new technology and market/farming knowledge that could enhance their productivity. It is quite rare for women to participate in community development decision-making, and there are few women in positions of influence at the local and central levels. This means that women have little opportunity to establish development priorities which meet their needs. Gender inequalities are apparent in all social, political and economic spheres.

16. Governance. Zimbabwe has a robust judicial system and the means of expression of civil society, through media, academia and other vehicles, have been expanding considerably. The Government has endorsed the "Vision 2020" process involving civil society, labour organizations and the private sector in the long-term national planning process. This demonstration of openness to divergent views and to broad consultations is a necessary step in the direction of an increasingly open political climate. Zimbabwe is committed to enhance transparent and democratic governance.

II. RESULTS AND LESSONS OF PAST COOPERATION

17. Although the UNDP programme is limited in financial terms, its special attributes of neutrality and ownership has made it particularly important for interventions at the policy level and for the development of politically sensitive reforms and national programmes. Outputs of several UNDP-financed projects have been adopted as government policy and/or national action plans and they have been catalytic to the Government's resources mobilization efforts. The civil service reform, the public enterprise reform, the debt management, the customs and excise projects and UNDP support to the development of the Poverty Alleviation Action Plan as well as the National Conservation Strategy are such examples.

18. A desk study undertaken by the UNDP country office to assess the preliminary impact of projects financed under the third country programme in terms of successful generation of outputs and utilization of beneficiaries, indicates that at least 80 per cent of the projects have been effective. Programme achievements have been most notable in the areas of policy dialogue and advocacy, formulation of national programmes and policies, institution and human-capacity building and support to community initiatives to attain sustainable livelihoods.

19. The experiences of national execution during the fifth cycle, when around 70 per cent of programme resources were under national execution, were overall positive. The Government sees this modality as a means of ensuring full control and ownership of the development process which is particularly essential for policy level interventions.

20. The programme approach was not adopted during the third country programme. UNDP did, however, play a facilitating role for the mobilization of additional external resources for nationally owned programmes, the Poverty Alleviation Action Plan and civil service reform being two examples. Both Government and other development partners agree that the programme approach should be used more extensively in the implementation of the CCF.

III. PROPOSED STRATEGY AND THEMATIC AREAS

21. The overall strategy for future UNDP cooperation in Zimbabwe was discussed at the mid-term review of the third country programme. It was agreed that poverty reduction should be the over-arching objective of the CCF and that UNDP cooperation should continue to be focused on capacity-development assistance. Three concentration areas were defined: poverty reduction, development management and environmental regeneration. Three cross-cutting themes fall within these concentration areas: governance, gender and HIV/AIDS. These areas and themes are also consistent with UNDP programme priorities as defined by its Executive Board.

22. The CCF proposes that UNDP future assistance to Zimbabwe have two key directions and entry levels: (a) support to national policy formulation in priority and leverage SHD areas; and (b) funding of downstream programmes supporting sustainable livelihoods. UNDP cooperation will be closely coordinated with other United Nations agencies and donors, and joint programming will be promoted.

23. Support for policy formulation in SHD-related areas. The role of UNDP in assisting the Government in the formulation of national policy and programmes proved effective in the third country programme. UNDP comparative advantage as an impartial and neutral development partner provides a unique entry point, especially in areas of sensitive policy reform. UNDP, together with other United Nations agencies, is expected to continue to advocate and support the translation of international compacts and agreements into concrete action plans and programmes. Special emphasis will be placed on the national follow-up of the global commitments made at the World Summit on Social Development (WSSD) and the United Nations Conference on Environment and Development, particularly poverty reduction and implementation of the national Agenda 21, which coincide with the proposed priority areas of the CCF.

24. Targeted programmes supporting sustainable livelihoods. Under the CCF it is proposed that UNDP funds pilot programmes with a direct impact on sustainable livelihoods and poverty reduction. This will help ensure that UNDP cooperation to national SHD-policy formulation and reform is based upon genuine knowledge and experience of people's needs and realities. It is proposed that UNDP-supported initiatives, including agricultural production, water provision, environmental conservation and income-generating activities be concentrated in specific areas in accordance with the Study Survey results. Programmes will be designed using participatory approaches and the key focus will be on capacity development and sustainability. Separate community-level initiatives that are supported by UNDP and the United Nations Volunteers (UNV) headquarters, i.e., Africa 2000, global environment facility (GEF) small grants, Partners in

Development Programme (PDP), UNV's Participatory Development Resource Centre for Africa and UNV's Domestic Development Service will come together at the country level to achieve synergy and improve impact and sustainability.

A. Poverty reduction

25. Justification. Proposed interventions in this area of concentration will be guided by the national Poverty Alleviation Action Plan and the results of the Study Survey. Deteriorating standards of living for the majority of the population caused by stagflation, high unemployment rates and recurrent droughts, require targeted programmes and determined action to support job creation and sustainable livelihoods. It is the view of the Government that UNDP cooperation should follow the overriding objective of capacity development and be focused on strengthening the capacities of national institutions (governmental/non-governmental as well as central and local) and communities to take action on poverty reduction. Continued poverty reduction advocacy and follow-up to WSSD as well as poverty monitoring and research are also considered essential interventions for UNDP.

26. Four main areas of intervention are being considered in the area of poverty reduction, representing four specific programmes, and targeting both national policy formulation and community level initiatives: capacity-strengthening for the Action Plan implementation; employment creation (including support to the informal sector, umbrella apex organizations, women miners, cultural tourism, entrepreneurship training and development programme (Empretec), other employment-generating activities at the community level); support to decentralization policies; and national policy and programme on drought management.

27. Expected impact. The interventions outlined under this concentration area are intended to impact on policy reform and poverty monitoring, as well as directly on selected poorer segments of the population through the creation of jobs and sustainable livelihoods. The use of participatory approaches such as partnership building, community assessments and empowerment will be important both for the sustainability of interventions as well as for impact measuring. The sustainability of community-level interventions will be enhanced by the emphasis on capacity-building through training and empowerment of communities to manage their own development. The programme will also aim at developing an entrepreneurial "job creating" culture. Measurements of impact will be facilitated by the Study Survey baseline, continuous poverty monitoring as well as the number of income opportunities and jobs created.

B. Management development

28. Justification. A key prerequisite for the reduction of poverty is the promotion of sustained economic growth leading to increased investment and expanded employment opportunities. The challenge is to reduce the fiscal deficit and create an enabling environment for business through improved public sector management, strategic planning and the creation of new partnerships between the Government and the private sector. In view of UNDP earlier

involvement in key reform processes, the Government sees UNDP as uniquely placed to provide capacity-development assistance to its efforts to better manage and focus its development processes and to improve economic management and transformation.

29. UNDP support will be pursued under a multi-faceted development management support programme. A key objective of this programme is to provide capacity development assistance to the Government for the consolidation and coordination of the various reform programmes it is currently undertaking. The programme will aim at strengthening the Government's technical capacity for macro-policy management and strategic thinking based on an holistic development approach with an overriding poverty reduction objective. This comprehensive programme will include: support to the establishment of an umbrella policy management and coordination unit within the Office of the President; support to national strategic planning capacity; support to the civil service reform process; support to development management systems; advocacy for good governance initiatives focused on transparency and accountability of public institutions; improving the capacity of civil organizations to ensure effective grass-roots participation in public debate on governance issues; and support to the indigenization process.

30. As part of the programme, UNDP will support broader development policy consultations, through, inter alia, assistance in the establishment of mutually beneficial ("SMART") partnerships between public and private sectors, including the creation of a national business council and an independent strategic think-tank.

31. Expected impact. The proposed UNDP support will contribute to the generation of sustained economic growth through improved macro-policy management and strategic planning capacity; fiscal deficit reduction; a more efficient public sector and improved transparency and accountability in public institutions. Impact will be measured by actual economic indicators.

C. Environmental management and regeneration

32. Justification. As 80 per cent of the population still depends heavily on the country's natural resource endowment for their sustenance, maintaining a healthy environment is a prerequisite for the promotion of SHD. During the National Response Conference to the Rio Earth Summit in November 1992, Zimbabwe made a strong commitment towards environmental management in order to achieve sustainable development. Recognizing the strong linkage between poverty and the environment and the strong national commitment to environmental protection, the Government and UNDP have selected environmental management as one of the programme areas contributing towards the overriding goal of poverty reduction. The following four programmes are proposed to support Zimbabwe in the area of environmental management: implementation of Agenda 21 using participatory approaches; strengthening national capacity to implement environmental conventions within existing institutions; capacity-building for water resources management; and support to the follow-up of the World Solar Summit.

33. Expected impact. The four programmes are expected to strengthen the overall capacity of Zimbabwe to plan and take action on the guidelines outlined in Agenda 21 and in environmental conventions while enhancing people's livelihoods and contributing to poverty reduction. Community-based initiatives will be linked to those under the poverty reduction concentration area, and impact will be measured using Study Survey results as the baseline.

D. Cross-cutting themes and linkages with regional programmes

34. HIV/AIDS, gender and governance are cross-cutting themes in the three programme areas within the CCF for reasons which are obvious from a sustainable human development perspective. In CCF implementation, special emphasis will be placed on the creation of linkages with regional UNDP initiatives, e.g., micro-start and National Long-Term Perspective Studies, in order to maximize impact and synergy.

IV. MANAGEMENT ARRANGEMENTS

35. Execution and implementation. The Government of Zimbabwe has fully endorsed national execution which will be the modality used for most, if not all, projects and programmes financed under the CCF. Training programmes designed to simplify and streamline government/UNDP national execution procedures will be put in place in 1997 and a national execution manual, drawing upon experiences from other countries, will be produced. The UNDP Country Office has established an execution support and financial unit in order to provide support to the Government in programme delivery under national execution through UNDP core as well and additional cost-sharing resources.

36. The mid-term review of the third country programme recommended that United Nations specialized agencies, non-governmental organizations and local institutions be encouraged to tender alongside private consulting firms for the delivery of specific technical services to programmes and projects. United Nations agencies will be used as cooperating agencies for provision of specialized and technical support services in national execution programmes. Since UNV specialists and technical cooperation among developing countries arrangements have proved effective execution modalities in the past, they will also be used in the CCF.

37. Programme monitoring and review. In order to facilitate the assessment of the impact of UNDP cooperation, specific benchmarks to measure programme results and indicators of success will be incorporated in the programmes financed in the CCF. Quantitative and qualitative indicators of how the various programmes will impact on gender will also be defined.

38. Annual reviews of the CCF will be carried out, jointly by the Government and UNDP, to monitor implementation and to ensure that the CCF is dynamic and adaptive to changing national priorities. A mid-term review will be conducted during the second half of 1998, involving a broad spectrum of development partners, to ensure that the programme remains relevant to development needs and that the modalities used are appropriate. Regular programme and project

evaluations will be carried out under the CCF. As part of a strategy to improve the monitoring of impact, indicators of performance will be established for both policy and community-level interventions.

39. Resources mobilization. It is anticipated that UNDP resources will continue to play a catalytic role in national resources mobilization efforts. UNDP funds will be used as seed capital to support preparation of national development programmes which have the potential to attract multi-donor support. Various funds: GEF, Capacity 21 and the Japanese and Nordic trust funds, will be accessed to support programme implementation. UNDP will be expected to explore alternative resources mobilization strategies and brokerage functions in support of government development efforts.

40. In terms of financial resources, the provisional resource mobilization target for the CCF is $24.2 million. Details may be found in the annex.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR ZIMBABWE (1997-1999)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated IPF carry-over	1 303	
TRAC 1.1.1	7 638	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
SPPD/STS	637	
Subtotal	9 578[a]	
NON-CORE FUNDS		
Government cost-sharing	2 000	
Sustainable development funds	4 000	GEF
Third-party cost-sharing	3 000	
Funds, trust funds and other Nordic Trust Fund Japan Trust fund Africa 2000 UNSO	5 630 of which: 4 000 500 600 530	
Subtotal	14 630	
GRAND TOTAL	24 208[a]	

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core; and UNSO = Office to Combat Desertification and Drought.